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C O N F I D E N T I A L SANAA 001360

SIPDIS

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SUBJECT: SHURA LEADER ON HUNT OIL EXTENSION, AL-HOUTHI AND  
PROPOSED PRESS LAW

REF: A. SANAA 1282

[B](#). SANAA 2863

Classified By: Ambassador Thomas Krajieski for reasons 1.4 (b) and (d).

[1](#)1. (C) Summary: On May 17 Ambassador met with Shura Council Chairman Abdul Aziz Abdul Ghani. Discussions centered on the canceled Hunt Oil extension for Block 18, ongoing violence in Saada, and the controversial draft press law. On the Hunt extension (ref A), Ghani expressed optimism that a deal could still be reached, despite the cabinet's support for Parliament's cancellation of the extension agreement. Ghani rebuked al-Houthi (the father) for refusing Saleh's offer of a peace agreement, delivered by Shura Council members, guaranteeing his safety. He also said the Council was still debating its official position on the draft press law and did not want to directly interfere. End Summary.

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Still Hope for Hunt?  
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[1](#)2. (C) Ghani assured Ambassador that Hunt could still strike a deal with Parliament to extend its operating license for Block 18. This despite a May 2 letter from the Ministry of Oil to Hunt confirming the Cabinet's support for Parliament's cancellation of the deal. Ghani was confident that, "under certain conditions," Parliament could still be persuaded to reverse its decision, saying he believed that Hunt remains the leading candidate and claimed the American company is "willing to agree with whatever Parliament says." (Comment: Ghani's rosy outlook on a ROYG-Hunt agreement on Block 18 contradicts all other evidence, which indicates that Hunt faces a difficult road ahead in extending their contract and plans to take the ROYG to the ICC in Paris. End Comment).

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"Fanatics" Who Refuse to Save Face  
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[1](#)3. (C) On the ongoing clashes between government forces and al-Houthi supporters in Saada, Ghani rebuked the insurgents for refusing Saleh's offer of a "face saving" peace. Calling them fanatics, Ghani said the best advice the Shura Council could offer to President Saleh would be to "crush the insurrection." Ghani said that once the public received a frank accounting of the affair, public support would be solidly in favor of Saleh.

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Draft Press Law  
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[1](#)4. (C) Ambassador praised the ROYG for attempting to redraft its press law (ref B) in order to expand journalists' rights and freedoms. Ghani shared that the Shura Council is still debating its official position on the new law, but echoed Ambassador in his hopes that the ROYG will bring journalists into the process before sending the draft to Parliament.  
Krajieski